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Committee on Ways and Means  
Subcommittee on Trade**

Hearing on  
“Supporting U.S. Workers, Businesses, and the Environment  
in the Face of Unfair Chinese Trade Practices”

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Chairman Blumenauer, Ranking Member Buchanan, and members of the House Ways and Means Subcommittee on Trade, thank you very much for the opportunity to testify before you today.

My name is Tabitha Mallory, I run a consulting firm that conducts research on Chinese ocean and fisheries policy using primary language sources, and I teach part-time at the University of Washington. I appear before you today to address the environment part of today’s hearing title, and in particular how the United States can respond to China’s policies on global seafood trade.

This topic lies at the intersection of a number of key issues. Seafood is the most highly traded food commodity globally. The world’s fisheries are important for global food security, economic livelihoods, marine biodiversity, and even climate change. At the same time, China’s goal of becoming a maritime great power, announced in 2012, includes becoming a great fishing nation. China has already largely succeeded in this endeavor, and today is the world’s largest producer, importer and exporter of seafood. The country also has the largest distant water fishing fleet, which operates on the high seas and in the exclusive economic zones (EEZs) of other countries. Because of this role, China not only has a significant impact on global seafood trade but also on global security in both the traditional and nontraditional sense, ranging from civil-military fusion uses or gray-zone operations like we’ve seen in the South China Sea to illegal, unreported and unregulated (IUU) fishing activities that may bring with them criminal activity, labor abuses, and environmental destruction. For the United States, there are a number of implications to consider that affect both Americans as well as U.S. allies and partners.

In my remarks, I will largely discuss the following important aspects of China’s role in fisheries governance and seafood trade: the seafood processing and re-export sector, seafood traceability, and fisheries subsidies. I will end with some policy recommendations.

## China's Seafood Processing and Re-export Sector

China is the world's largest producer of aquatic goods, reportedly producing 64.804 million tons in 2019, which accounted for about 36 percent of the global total.<sup>1</sup> China produced 50.791 million tons of aquaculture products, accounting for 61 percent of global aquaculture production, and 14.013 million tons from capture fisheries, which was 17 percent of global capture production. Of China's capture fisheries, according to China's official statistics, China's domestic marine fisheries produced 10.002 million tons, and domestic freshwater fisheries produced 1.841 million tons.<sup>2</sup> DWF accounted for 2.170 million tons.<sup>3</sup> China's aquatic goods sector overall was valued at CNY 2.64 trillion in 2019, with total primary aquatic production valued at CNY 1.29 trillion. Primary capture fisheries production was valued at CNY 211.6 billion for marine capture and CNY 39.8 billion for freshwater capture.

China's trade in aquatic products is expanding, and as the Chinese central authority works to base the country's economic growth less on the primary sector (agricultural commodities) and more on the secondary (manufacturing) and tertiary (service) sectors to capture more value added, the seafood processing sector has likewise expanded. In 2019, China imported 6.265 million tons of seafood worth \$18.701 billion, and exported 4.268 million tons worth \$20.658 billion. Much of this trade is composed of raw material imports that are processed in China and re-exported. In 2019, China had 9,323 seafood processing companies with an annual production capacity of 28.882 million tons, while actual production of processed aquatic goods that year was 26.499 million tons.

China's seafood processing sector has important implications for U.S. seafood consumers. It is often said that the United States imports up to 90 percent of its seafood, however more recent analysis indicates that only 62–65 percent is of foreign origin because of the role that processing and re-export plays.<sup>4</sup> China is the top destination country for U.S. seafood exports in terms of volume. The U.S. sent about 295,000 tons in seafood to China in 2019, and even though this amount decreased to 175,000 tons in 2021, the country remains the top destination. China is the largest source of seafood imports for the United States as well—431,000 tons in 2019 and 276,000 tons in 2021. But very little of this trade is tracked as re-export (only 2,600 tons in 2019 and 634 tons in 2021). Thus, the complexity of the U.S. seafood supply chain is essentially lost in a black box, which limits consumer ability to choose sustainable seafood while increasing the risk of IUU catch or mislabeled product entering the U.S. seafood supply chain. One way of mitigating this risk is by improving seafood traceability.

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<sup>1</sup> 农业部 [Ministry of Agriculture], *中国渔业统计年鉴 2020* [*China Fishery Statistical Yearbook 2020*], 北京: 中国农业出版社 [Beijing: China Agricultural Press], 2020; FAO, *The State of World Fisheries and Aquaculture*

(*SOFIA*)—*Sustainability in Action*, 2020, <http://www.fao.org/3/ca9229en/ca9229en.pdf>. FAO data are from 2018.

<sup>2</sup> China considers all fisheries production in the Yellow Sea, East China Sea, and South China Sea to be part of the domestic industry, even if the fishing activity occurs outside of what would be China's exclusive economic zone (EEZ) according to international law.

<sup>3</sup> There are recognized problems with Chinese fisheries statistics. DWF is likely underreported. Watson, Reg and Pauly, Daniel, "Systematic distortions in world fisheries catch trends," *Nature*, Vol. 414, No. 29, November 2001; and Pauly, Daniel, et al., "China's Distant Water Fisheries in the 21<sup>st</sup> Century," *Fish and Fisheries*, 2013.

<sup>4</sup> Gephart, Jessica, Froehlick, Halley, and Branch, Trevor, "To create sustainable seafood industries, the United States needs a better accounting of imports and exports," *PNAS*, Vol. 116, No. 19, 7 May 2019, <https://www.pnas.org/content/116/19/9142>.

## Seafood Traceability

Traceability is defined as “the ability to access any or all information relating to that which is under consideration, throughout its entire life cycle, by means of recorded identifications.”<sup>5</sup> Traceability systems improve global seafood governance by addressing issues of sustainability and legality of catch, as well as issues such as criminality and fraud.<sup>6</sup> Seafood traceability is an important tool for handling IUU fishing, which causes estimated losses of \$26–50 billion annually. As much as one-fifth of global catch is IUU. In addition to economic losses, governments lose an estimated \$2–4 billion annually in tax revenue. And as the country scoring the highest in the world on measures of IUU fishing according to one index, China is an integral part of a global seafood traceability system.<sup>7</sup>

Efforts to create a global seafood traceability system are based on a framework of critical tracking events (CTEs) and key data elements (KDEs).<sup>8</sup> CTEs are points along the supply chain—such as harvest, landing, processing, distribution, and market—at which the product is moved between locations, changed, or otherwise requires a capture of data to ensure traceability. KDEs are the data components—such as vessel identification; time and location of catch, landing, distribution, and market entrance—necessary to maintain traceability throughout the CTEs. A fully electronic system, globally interoperable system using blockchain technology is key to the success of seafood traceability.

In January 2018, the United States government launched the U.S. Seafood Import Monitoring Program (SIMP) to prevent IUU fish imports. In its initial phase, the United States requires information about the provenance of 13 species of fish. However, as the United States imports a majority of its seafood, and a number of species are not covered by SIMP, the United States is likely still importing IUU catch. The top three wild-caught imports from China into the United States—pollock, salmon, and squid—are not covered by SIMP.

China’s existing traceability system was created for food quality purposes, and China does not have mandatory national standards for traceability-for-sustainability. China’s existing 2013 GB/T 29568-2013 “Traceability requirements for agricultural products—Fish and fishery products” are only voluntary, nor do they match the CTE and KDE traceability framework. Overall, key stakeholders in China recognize the need for better seafood traceability-for-sustainability—for example, new draft revisions to the Fisheries Law mention for the first time the importance of addressing IUU fishing—but the country still faces several challenges. While many KDEs for the processing stage and some for the harvest stage are in place, high-priority KDEs are still missing for the harvest, bycatch, transshipment, transport and landing, and distribution stages. China’s standards do not explicitly require the Latin species name. Chinese standards require a “Date” for catch information, but do not explicitly require both a harvest date

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<sup>5</sup> Olsen, P. and Borit, M. (2013). How to Define Traceability. *Trends in Food Science and Technology*. 2013-02, Vol.29 (2), p.142–150.

<sup>6</sup> Moe, T., “Perspectives on Traceability in Food Manufacture,” *Trends in Food Science & Technology*, Vol. 9, No. 5, May 1998, pp. 211–214; Garcia-Torres, Sofia, Albareda, Laura, et al., “Traceability for Sustainability—Literature Review and Conceptual Framework,” *Supply Chain Management: An International Journal*, Vol. 24, No. 1, 14 January 2019, pp. 85–106.

<sup>7</sup> IUU Fishing Index, <https://iuufishingindex.net/ranking>

<sup>8</sup> Global Dialogue on Seafood Traceability, <https://traceability-dialogue.org/>

and landing date. While China requires a country of origin for the processing stage, the standards do not distinguish between country of origin and country of consignment, nor do the standards require information about transshipment or bycatch. While China requires fairly robust information about fishing vessels, China does not require International Maritime Organization (IMO) numbers for all of its fishing vessels. Overall, China provides comparatively robust data for the processing stage, but the data are largely geared toward quality control—for example storage and temperature records—and not traceability-for-sustainability. While China does require some KDEs for point of harvest, China’s traceability system has gaps in terms of establishing the legality of catch.

Another significant challenge to seafood traceability is proper customs categorization. China uses fewer harmonized system (HS) codes for seafood products compared to the United States. In some cases, HS codes are not standardized at the genus- or species-level, and in other cases HS codes are not standardized across countries at the eight- or ten-digit level, making it impossible to preserve traceability across borders.<sup>9</sup>

## **Fisheries Subsidies**

Since 2001, member countries of the World Trade Organization (WTO) have been working to negotiate an agreement on fisheries subsidies in order to meet target 14.6 of the Sustainable Development Goals (SDG), which called for the elimination and prohibition by 2020 of subsidies that contribute to overcapacity, overfishing and illegal, unreported and unregulated (IUU) fishing.<sup>10</sup> Subsidies skew the bottom line for fishing enterprises, making fishing more profitable with government support than fishing would be otherwise. For example, in 2019 CNFC Overseas Fisheries Co., Ltd. (COFC; 中水集团远洋股份有限公司) received CNY 65.79 million in total income-related subsidies, which exceeded the company’s profits of CNY 20.36 million.<sup>11</sup> And subsidies are not just economically inefficient, they also threaten fisheries sustainability by expanding fishing effort beyond natural limits.<sup>12</sup>

As a significant subsidizer of its fishing industry, which includes China’s sizable distant water fishing (DWF) fleet, China’s subsidy program has an impact on the sustainability of global fish stocks. China provides both direct and indirect subsidies to the fishing industry, and the support comes both from the central government and provincial government budgets. China provided an estimated CNY 28.192 billion to the capture fisheries industry (about USD 4.16 billion) in 2019.<sup>13</sup> The CNY 28.192 billion does not include at least CNY 7.1 billion that supported aquaculture. The total for capture fisheries includes CNY 21.308 billion in direct subsidies, with 20.268 billion from the central government and CNY 1.040 billion from provincial governments. For indirect subsidies, the industry received an estimated effective subsidy of CNY 6.336 billion

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<sup>9</sup> Cawthorn, Donna-Maree and Mariani, Stefano, “Global trade statistics lack granularity to inform traceability and management of diverse and high-value fishes,” *Nature Scientific Reports*, Vol. 7, No. 12852, 2017, pp. 1–11.

<sup>10</sup> World Trade Organization (WTO), Negotiations on Fisheries Subsidies, [https://www.wto.org/english/tratop\\_e/rulesneg\\_e/fish\\_e/fish\\_e.htm](https://www.wto.org/english/tratop_e/rulesneg_e/fish_e/fish_e.htm).

<sup>11</sup> 中水集团远洋股份有限公司, 2019 年年度报告 [CNFC Overseas Fisheries Co., Ltd. 2019 Annual Report], [https://pdf.dfcfw.com/pdf/H2\\_AN202004091377847516\\_1.pdf](https://pdf.dfcfw.com/pdf/H2_AN202004091377847516_1.pdf).

<sup>12</sup> Monro, Gordon and Sumaila, Rashid, “The Impact of Subsidies upon Fisheries Management and Sustainability: the Case of the North Atlantic,” *Fish and Fisheries*, Vol. 3, 2002, pp. 233–250.

<sup>13</sup> Using an exchange rate of 6.77 CNY to the USD, an average of the exchange rates from 2016 through 2019.

in tax exemptions, and CNY 548 million in interest savings from preferential loans from policy banks. About 85 percent of the capture subsidies were harmful in nature, and about 15 percent were beneficial. Of the amount in subsidies for capture fisheries, about CNY 11.876 billion went to the DWF industry.

Harmful subsidies are disproportionately higher for DWF than for domestic capture fisheries. Even though DWF catch accounted for only 22 percent of China's total catch from capture fisheries, DWF received 49 percent of China's harmful subsidies (or 42 percent of total subsidies) and none of the beneficial subsidies went toward the DWF industry. Thus, China's policies on DWF subsidies do not match that of domestic policies, which have been more restrictive. Overfishing in China's domestic fishing industry has been apparent to the Chinese central authority from the early 1980s. In addition to policies aimed at decreasing domestic fishing capacity, policymakers launched a two-pronged response to domestic overfishing—one program encouraging the development of aquaculture production and another promoting the creation of a DWF fleet. Starting in 1985, capacity-building for the DWF industry was the predominant goal through the 12<sup>th</sup> Five-year period ending in 2015. Expansionary targets for the DWF industry were supported by a generous subsidies program, peaking in the 2010s at an estimated USD 7.2 billion, which accounted for 21 percent of total global fisheries subsidies, and 27 percent of global harmful subsidies.<sup>14</sup>

Policies shifted more noticeably toward moderating China's marine environmental impacts around 2015 and 2016 with the start of the 13<sup>th</sup> Five-Year Plan period (for 2016–2020). Alongside the announcement of a more general “marine ecological civilization building” (海洋生态文明建设) policy, specific policies targeted a “stricter” approach toward illegal fishing.<sup>15</sup> In June 2015, the MOF and MOA announced a decision to reduce domestic fisheries fuel subsidies by 2019 to 40 percent of the amount provided in 2014, which was officially reported as CNY 24.2 billion.<sup>16</sup>

China has decreased fisheries subsidy funding over the 13<sup>th</sup> Five-Year Plan, and appears to have achieved the goal of decreasing fuel subsidies to 40 percent of official 2014 levels as intended. However this decrease has been accompanied by a loss in transparency because line-items for individual subsidy programs are now lumped into aggregate categories that include both harmful and beneficial subsidies. China used to report the total amount of fuel subsidies provided to the industry, including the proportions provided to the domestic versus distant-water fishing fleets, but China stopped reporting the fuel subsidies given to the DWF industry after 2011. Now,

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<sup>14</sup> Sumaila, Rashid, et al., “Updated Estimates and Analysis of Global Fisheries Subsidies,” *Marine Policy*, Vol. 109, 2019, <https://doi.org/10.1016/j.marpol.2019.103695>.

<sup>15</sup> 海洋局 [State Oceanic Administration], 《国家海洋局海洋生态文明建设实施方案》(2015–2020) [“National Plan for Building a Marine Ecological Civilization” (2015–2020)], 20 July 2015, [http://www.zgkyb.com/yw/20150720\\_19494.htm](http://www.zgkyb.com/yw/20150720_19494.htm); 农业部网站 [MOA Website], 农业部: “严”字当头渔业执法监管工作成效显著 [Ministry of Agriculture: “Strict” Is the Chinese Character Leading the Work of Fisheries Enforcement and Supervision to Achieve Remarkable Success], 27 December 2017, [http://www.gov.cn/xinwen/2017-12/27/content\\_5250720.htm](http://www.gov.cn/xinwen/2017-12/27/content_5250720.htm).

<sup>16</sup> 财政部、农业部 [Ministry of Finance and Ministry of Agriculture], 关于调整国内渔业捕捞和养殖业油价补贴政策促进渔业持续健康发展的通知, 财建 [2015] 499 号 [Notice about Adjusting Domestic Fisheries and Aquaculture Fuel Subsidy Policy in order to Promote Sustainable and Healthy Fisheries Development (Document 2015 No. 499)], 25 June 2015, [http://www.gov.cn/xinwen/2015-07/13/content\\_2895987.htm](http://www.gov.cn/xinwen/2015-07/13/content_2895987.htm).

instead of reporting funding that directly supports fuel subsidies, the Chinese central government has altered its subsidy programs so that fishing enterprises receive general funding that they can use to support their operations, which includes fuel subsidies. The Chinese central government no longer tracks criteria that determine how much money in fuel subsidies a given vessel is granted—these allocations are now made at subnational levels of government (provincial-level and below). China issued a notification of its subsidies, including agricultural subsidies, to the WTO in 2019, detailing fisheries subsidies programs for 2017 and 2018, but did not include an estimate for fuel subsidies because of these policy changes.<sup>17</sup> And while China has made progress reducing domestic fisheries subsidies, the government is still capacity-enhancing when it comes to DWF.

For DWF, analysis of subsidies programs shows a clear connection to capacity and fishing effort. The top three provincial recipients of the Vessel Decommissioning and Renovation subsidy happen to be the top three producers of DWF catch. Zhejiang Province, which produced 20 percent of China’s total DWF catch in 2019 received 31 percent of the subsidies that same year. Shandong Province, which produced 19 percent of China’s total DWF catch in 2019 received 28 percent of the subsidies. Fujian Province, which produced 24 percent of China’s total DWF catch received 20 percent of the subsidies.

Additionally, of subsidies for DWF, support toward high seas fishing—which overall is less regulated—was greater than that for EEZ fishing. For 2019, the official number of DWF vessels was 2,701, with 1,589 high seas vessels (58.8 percent) and 1,112 EEZ vessels (41.2 percent). At the same time, China’s high seas vessels are larger than EEZ vessels. High seas fishing vessels have an average tonnage per vessel of 762.4 tons while EEZ fishing vessels average 326.8 tons. According to vessel inspection records, in August 2019, high seas vessels had a total gross tonnage of 1,107,000 and EEZ vessels had a total gross tonnage of 351,000—meaning that 76 percent of the gross tonnage was from high seas vessels.

Fuel subsidies for DWF were absorbed by the subsidy program for the utilization of international fisheries resources. The subsidy per ton of fuel consumed by the DWF fleet was approximately CNY 1331 in 2019 and CNY 1064.6 in 2020. The DWF industry also receives subsidies for the renovation and construction of DWF fishing vessels; and the construction of domestic and overseas DWF bases. Subsidies for DWF bases were three times higher than the estimate for fuel subsidies to the DWF industry. China provided an estimated CNY 2.877 billion toward DWF base construction in 2019. The subsidy for construction of DWF bases is in line with China’s goal of consolidating the DWF supply chain as stated in the 13<sup>th</sup> Five-Year Plan for Fisheries, linking production to processing and logistics, including through the construction of integrated fishing bases and reinforced logistical support capability.<sup>18</sup>

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<sup>17</sup> China Delegation to the WTO Committee on Subsidies and Countervailing Measures, “New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures,” Document G/SCM/N/343/CHN, 30 June 2019, 249pp.

<sup>18</sup> 农业部 [MOA], 农业部关于印发《全国渔业发展第十三个五年规划》的通知 [MOA Announcement of the “National Fisheries 13<sup>th</sup> Five-Year Plan”], 31 December 2016, [http://www.moa.gov.cn/nybg/2017/derq/201712/t20171227\\_6131208.htm](http://www.moa.gov.cn/nybg/2017/derq/201712/t20171227_6131208.htm); 农业部 [Ministry of Agriculture], “十三五”全国远洋渔业发展规划 [“Thirteenth Five” National Distant Water Fishing Development Plan], 21 December 2017, [http://www.moa.gov.cn/gk/ghjh\\_1/201712/t20171227\\_6128624.htm](http://www.moa.gov.cn/gk/ghjh_1/201712/t20171227_6128624.htm).

Some local governments provide incentives for DWF enterprises to encourage the transportation back to China of catch produced by the Chinese DWF fleet (运回自捕水产品). Provinces spent about CNY 40 million on these programs. For example, the Laoshan District government, in Qingdao, Shandong Province, spent CNY 4.2249 million in subsidies for tuna transportation in 2018.<sup>19</sup> The municipal government of Zhoushan, Zhejiang Province, provides CNY 300 per ton for chilled, ultra-low-temperature tuna; CNY 200 per ton for fish species in the EEZs of other countries and low-temperature tuna (bigeye, yellow fin, albacore); as well as CNY 100 per ton for squid, bonito (鲣鱼), Mahi-mahi (鲷鱼), and saury. The Guangdong provincial government provides CNY 15,000 per ton for air transportation of chilled fresh tuna and CNY 1000 per ton per landing of other DWF species.<sup>20</sup>

While not direct payments from the government to enterprises, indirect subsidies such as tax exemptions and preferential loans function as effective subsidies because they still distort the profit calculations of fishing enterprises.<sup>21</sup> Virtually all of the indirect subsidies supported DWF, and indirect subsidies contributed a higher share of DWF support than direct subsidies. China's tax exemptions include import tax exemptions on catch as well as income tax exemptions. The fishing industry also receives subsidies from China's policy banks (政策性银行) in the form of low-interest, long-term loans, though this support is not disclosed in any bank or government reports, and little data is publicly available. China's policy banks—the Export-Import Bank of China (EXIM Bank, 中国进出口银行); the China Development Bank (CDB, 国家开发银行); and the Agricultural Development Bank of China (ADBC, 中国农业发展银行)—are state-owned, state-funded banks directly under the leadership of the State Council that operate in specific fields where they are directly or indirectly engaged in policy-financing activities, serving as a macroeconomic management tool to promote the implementation of the Chinese government's socioeconomic policies.<sup>22</sup> For example, China has provided Mauritania with low-interest, 20-year-long loans of \$87 million for the construction of a new fishing port.<sup>23</sup> And the Rongcheng Oceans and Fisheries Bureau, in Shandong Province, announced plans to accelerate the construction of fishing bases in Ghana, Uruguay and Fiji, and to assist enterprises in securing low-interest loans from the CDB and EXIM Bank.<sup>24</sup>

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<sup>19</sup> 崂山区海洋与渔业局 [Laoshan District Ocean and Fisheries Bureau], 2018 年度崂山区海洋与渔业局部门决算 [2018 Laoshan District Ocean and Fisheries Bureau Final Accounting Document], 2018.

<sup>20</sup> 广东省农业农村厅 [Guangdong Province Office of Agriculture and Rural Affairs], 关于印发 2020 年广东省远洋渔业发展项目入库申报指南的通知, 粤农农计〔2020〕24 号 [Notice Regarding the Issuance of the Entry Application Guidelines for 2020 Guangdong DWF Development Projects, Guangdong Agriculture (2020) No. 24], 8 July 2020, <http://www.jiangmen.gov.cn/jmnyj/attachment/0/139/139579/2094738.pdf>.

<sup>21</sup> van Beers, Cees, Bergh, Jeroen C. J. M. van den Moor, André de and Oosterhuis, Frans, "Determining the environmental effects of indirect subsidies: integrated method and application to the Netherlands," *Applied Economics*, November 2007, Vol. 39 Issue 19, p2465–2482.

<sup>22</sup> 搜狐 [Sohu], 银行中的“金饭碗”! 三大政策性银行薪资待遇高于公务员 [The “Gold Rice Bowl” of Banks! The Salary at the Three Large Policy Banks Is Higher Than That of Civil Servants], 26 September 2019, [https://www.sohu.com/a/343574070\\_120286828](https://www.sohu.com/a/343574070_120286828).

<sup>23</sup> UCN 国际海产资讯 [UCN International Ocean News], 中国提供 8,700 万美元贷款, 为毛里塔尼亚建设大型渔业港口 [China Supplies USD 87 Million Loan to Build a Large Fishing Port in Mauritania], 26 February 2020, <http://www.nbscxh.com/index.php?m=content&c=index&a=show&catid=30&id=8752>.

<sup>24</sup> 荣成市人民政府 [Rongcheng Municipal Government], 市海洋与渔业局在线回答问题 [Municipal Bureau of Oceans and Fisheries on the Line Answering Questions], 8 May 2018, [http://www.rongcheng.gov.cn/art/2018/5/8/art\\_40577\\_1291680.html](http://www.rongcheng.gov.cn/art/2018/5/8/art_40577_1291680.html).

Finally, China is seeking Special and Differentiated Treatment at the WTO negotiations through status as a developing country. Others point out that China should be considered a developed country because it is responsible for the largest share of the world's capture fisheries, provides the largest share of fisheries subsidies, and has crossed the World Bank developed country per-capita income threshold.

### **Policy Recommendations**

*Transparency.* Increasing transparency is critically important in addressing these issues. Transparency is necessary for subsidies and trade data, fisheries access agreements, vessel monitoring system (VMS) data, and stock assessment data and information. And transparency is not only important for China, but also for the United States and other major fishing nations. One analysis of WTO notifications showed that the United States was selective in reporting fisheries subsidies and could be more transparent as well.<sup>25</sup> The U.S. seafood traceability system and trade data are optimized for regulatory traceability and compliance, but not for consumer or civil-society information demands, and thus also lack transparency. Even though China produces the most seafood globally, developed entities like the United States, European Union and Japan are still the world's largest consumers of seafood, and thus must be responsible for our role in global seafood trade as well.

*High Seas Governance.* High seas fisheries are managed through regional fisheries management organizations (RFMOs), but this system has shortcomings and could use some important reforms. Because there is no comprehensive global system, some high seas areas or stocks are unregulated. RFMOs operate through a consensus model of decision-making, meaning that often the least stringent conservation and management measures are adopted. RFMOs are additionally vulnerable to "industry capture" at meetings when fishing enterprise representatives are members of country delegations.

*Communication and Cooperation.* The United States must communicate and cooperate with other countries to address this issue, including sharing information, resources, and technology to which less developed countries lack access. Non-governmental actors such as media, civil society organization, and academia play an important role in drawing attention to an issue, supplementing with other resources, and providing useful analysis. Communication and cooperation should also include China, despite the recent downturn in bilateral relations and halting of in-person meetings because of the pandemic—we need to have a long time horizon for our shared 21<sup>st</sup> "ocean" century.

Thank you very much and I look forward to your questions.

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<sup>25</sup> Formenti, L. Assessing transparency in fisheries subsidies: A notification-driven analysis. *Marine Policy* 104152 (2021).